The block diagram shown in **FIG. 2** depicts an alternative billing verification system **200** according to another presently preferred embodiment of the invention. The billing verification system **200** depicted in **FIG. 2** provides billing verification services to a number of different customers **102**. In this way, the billing verification system **200** of **FIG. 2** may act as an industry-wide clearinghouse for billing exceptions. The billing verification system **200** itself may be controlled and operated by a customer **102** or by a third-party service provider.

Operation of this billing verification system **200** is similar to that of the system **100** shown in **FIG. 1**. Billing data is uploaded to the database **108** either by a customer **102** or a vendor **104**. The customer **102** then accesses the billing verification system **200** via a distributed computer network **118**, such as the Internet. The customer **102** then reviews the billing data, and generates any necessary billing exception records through use of the customer graphical user interface. The vendor **104** also accesses the billing verification system **200** via the distributed computer network to review the billing exception records via the vendor graphical user interface. As described above, the authentication and access control procedure restricts customer and vendor access to only the billing data that relates to that customer **102** or vendor **104**. Again, multiple employees of both the customers **102** and the vendors **104**, perhaps in remote locations, may access the billing verification system through workstations connected to the server **106** via the Internet.

Operation of these billing verification systems **100, 200** will now be described with reference to **FIGS. 3-13**. Unless otherwise noted, the discussion will be applicable to both the billing verification system **100** of **FIG. 1** and the billing verification system **200** of **FIG. 2**.

The flowchart shown in **FIG. 3** illustrates a method of verifying charges billed by a vendor **104** to a customer **102** according to one preferred embodiment of the invention. The following description of the method refers generally to customers **102** and vendors **104**. Because the method is applicable to a wide variety of industries, the vendors **104** may represent parties that provide any of number of different products or services to the

customers **102**. The method involves a billing verification system **100, 200**, as described above. For purposes of this method, the billing verification system **100, 200** may be controlled and operated by a customer **102**, a vendor **104**, or a third-party.

First, the billing data is loaded into the billing verification system **100, 200** in step **302**. Depending on the format in which the billing data is provided by the vendor **104**, the data may be loaded automatically from an electronic bill file or it may be entered manually from a hardcopy bill. Except in the case of the transition system described above, the billing data resides in the database **108** once it is loaded. The customer then accesses the database **108** and reviews the billing data to identify any billing exceptions in step **304**. Customer review of the billing data in step **304** may be performed manually by a customer audit representative, automatically by a computerized auditing system, or by a combination of both manual and automatic review. In addition, multiple customer employees, such as field representatives in remote locations, may access the billing verification system **100, 200** to review the billing data. In step **306**, for each billing exception identified by the customer, the billing verification system **100, 200** generates a billing exception record in the database **108**. The billing exception record may contain information identifying the bill to which an exception is taken, the amount of the exception, and the reasons justifying the exception. The vendor **104** is then notified of the customer's billing exceptions in step **308**. Preferably, this notification is via an electronic mail message generated by the billing verification system **100, 200** and sent to the vendor **104**.

The vendor **104** then accesses the database **108** and reviews the billing exception records in step **310** to identify acceptable billing exceptions. Like the customer review, vendor review may include review by a number of vendor employees, such as field representatives in remote locations. The vendor may approve, disapprove, or partially approve each billing exception. In each case, the billing verification system **100, 200** generates a billing exception response record in the database **108**. The billing exception response record may contain information indicating whether the exception has

been approved or disapproved, as well as a reason for the approval or disapproval. If the exception is partially approved, the billing exception response record also may include the partially approved dollar value. The billing verification system **100, 200** then notifies the customer of the vendor's billing exception responses in step **314**. Like the vendor notification, customer notification preferably is via an electronic mail message generated by the billing verification system **100, 200** and sent to the customer.

In another preferred embodiment of the present invention, the billing verification system **100, 200** is used in the specific industry of railcar repair. In this embodiment, the billing verification system **100, 200** is used to process billing exceptions for railcar repair charges billed by a repair agent to a railcar equipment owner. The repair agent serves as a vendor **104** of repair services to its customer **102**, the railcar owner. This embodiment of the invention, as viewed from the railcar owner's perspective, will now be discussed with reference to **FIGS. 4-8**.

The flow diagram shown in **FIG. 4** illustrates a transition method of verifying repair charges using both a mainframe accounting system **116** and the billing verification system **100**, as described above with reference to **FIG. 1**. The method begins with the step **402** of loading billing data from billing repair cards into the mainframe accounting system **116**. Repair agents provide billing data to railcar owners in the form of billing repair cards. A billing repair card indicates, among other things, the railcar number, the kind of car, the repair date and location, and description and cost of the necessary parts and labor. The format of billing repair cards is governed by the AAR Interchange Rules.

As described above, the billing data may be loaded into the mainframe accounting system **116** in a number of ways. If the billing repair cards are provided in hardcopy format, the railcar owner may manually enter the billing data via a data entry interface. If the billing repair cards are provided in an electronic file, the billing data may be uploaded to the system automatically.

After the billing data is loaded into the mainframe accounting system **116**, the railcar owner reviews the billing data for any incorrect, or disputed,